



**CONSOLIDATED
FINANCIAL STATEMENTS**

OF

**The Great Atlantic & Pacific Tea Company
of America**

and Subsidiary Companies

1957

The Great Atlantic & Pacific Tea Company of America and Subsidiary Companies

STATEMENT OF CONSOLIDATED INCOME AND EARNED SURPLUS FOR THE 52 WEEKS ENDED FEBRUARY 22, 1958 AND FEBRUARY 23, 1957

 52 Weeks Ended	
	February 22, 1958	February 23, 1957
SALES	\$4,769,249,488	\$4,481,852,081
COST OF MERCHANDISE SOLD	<u>4,071,668,562</u>	<u>3,855,550,163</u>
GROSS PROFIT	\$ 697,580,926	\$ 626,301,918
STORE OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>588,281,721</u>	<u>536,135,946</u>
PROFIT FROM OPERATIONS	\$ 109,299,205	\$ 90,165,972
INTEREST ON TEMPORARY INVESTMENTS IN GOVERNMENT SECURITIES	<u>1,367,481</u>	<u>209,644</u>
TOTAL	\$ 110,666,686	\$ 90,375,616
UNITED STATES AND CANADIAN INCOME TAXES	<u>60,000,000</u>	<u>48,500,000</u>
NET INCOME	\$ 50,666,686	\$ 41,875,616
EARNED SURPLUS AT BEGINNING OF PERIOD	<u>300,157,884</u>	<u>274,697,786</u>
TOTAL	\$ 350,824,570	\$ 316,573,402
DEDUCT:		
Accrued vacation cost at beginning of period (less related reduction in United States income taxes)	\$ 10,200,000	
Cash dividends:		
First preferred stock, 7%	1,814,834	\$ 1,814,834
Common stock, 1958, \$8 a share; 1957, \$7 a share	<u>16,686,496</u>	<u>14,600,684</u>
TOTAL	\$ 28,701,330	\$ 16,415,518
EARNED SURPLUS AT END OF PERIOD	<u>\$ 322,123,240</u>	<u>\$ 300,157,884</u>

Notes to Financial Statements

1. The authorized capital stocks of the Company consist of 500,000 shares of \$100 par value first preferred stock, 7%, 200,000 shares of \$100 par value second preferred stock, 6%, and 2,800,000 shares of common stock, no par value, equally divided between non-voting and voting shares. There are outstanding 259,262 shares of first preferred stock (exclusive of 1,100 treasury shares), 935,812 shares of non-voting common stock (exclusive of 936 treasury shares), and 1,150,000 shares of voting common stock. The first preferred stock is cumulative as to dividends and is redeemable in liquidation or callable at \$115 a share.
2. Except for certain manufacturing and warehousing operations, the activities of the companies are conducted in leased premises. The leases are for varying periods (generally for 3 to 10 years), renewable in most instances at the option of the companies. At February 22, 1958 the companies were lessees under approximately 4,700 leases. Annual rentals charged to operations were \$43,500,000 and \$39,250,000 for the 52 weeks ended February 22, 1958 and February 23, 1957, respectively. Since February 22, 1958, the companies' modernization and expansion program has involved the customary substantial additional expenditure, made, or to be made, for new store leases, equipment, and inventories.
3. Under the terms of a group annuity contract to provide non-contributory retirement benefits to eligible employees, as amended in 1957, contributions by the companies, including amounts for past service benefits, were \$21,568,638 and \$16,531,738 for the 52 weeks ended February 22, 1958 and February 23, 1957, respectively.
4. Cost and expenses include depreciation and amortization of \$25,800,558 and \$22,792,114 for the 52 weeks ended February 22, 1958 and February 23, 1957, respectively.

The Great Atlantic & Pacific Tea Company of America and Subsidiary Companies

CONSOLIDATED BALANCE SHEET, FEBRUARY 22, 1958 AND FEBRUARY 23, 1957

ASSETS			LIABILITIES		
	February 22, 1958	February 23, 1957		February 22, 1958	February 23, 1957
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash	\$171,719,674	\$149,751,070	Accounts payable	\$135,669,075	\$122,603,202
Accounts receivable	9,640,260	7,655,677	Accrued accounts:		
Merchandise and supplies (at the lower of cost or market)	252,690,034	238,074,677	United States and Canadian income taxes	42,621,066	39,189,629
Total current assets	<u>\$434,049,968</u>	<u>\$395,481,424</u>	Other taxes, salaries, etc.	28,018,975	15,828,609
			Total current liabilities	<u>\$206,309,116</u>	<u>\$177,621,440</u>
PROPERTY, EQUIPMENT, AND FIXTURES:			MINORITY INTEREST IN PREFERRED STOCK OF SUBSIDIARY COMPANY		
Land, at cost	\$ 917,026	\$ 885,086		\$ 10,000	\$ 10,000
Buildings, at cost less accumulated depreciation— 1958, \$5,936,748; 1957, \$5,740,940	2,597,156	2,787,855	RESERVES FOR SELF-INSURANCE, ETC.		
Equipment, at cost less accumulated depreciation— 1958, \$80,885,699; 1957, \$70,787,653	114,020,552	104,052,299		\$ 5,504,590	\$ 5,225,194
Store fixtures, at amortized cost	33,753,695	29,444,791	CAPITAL STOCK AND EARNED SURPLUS:		
Property, equipment, and fixtures — net	<u>\$151,288,429</u>	<u>\$137,170,031</u>	Capital stock (Note 1):		
DEFERRED CHARGES	<u>\$ 10,840,849</u>	<u>\$ 12,595,363</u>	Preferred	\$ 25,926,200	\$ 25,926,200
TOTAL	<u>\$596,179,246</u>	<u>\$545,246,818</u>	Common	36,306,100	36,306,100
			Earned surplus	322,123,240	300,157,884
			Total capital stock and earned surplus	<u>\$384,355,540</u>	<u>\$362,390,184</u>
			TOTAL	<u>\$596,179,246</u>	<u>\$545,246,818</u>

See the accompanying Notes to Financial Statements

Accountants' Certificate

The Great Atlantic & Pacific Tea Company of America:

We have examined the consolidated balance sheet of The Great Atlantic & Pacific Tea Company of America and its subsidiary companies as of February 22, 1958, and the related statement of consolidated income and earned surplus for the 52 weeks then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statement of consolidated income and earned surplus present fairly the financial position of the companies at February 22, 1958 and the results of their operations for the 52 weeks then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

June 10, 1958

Haskins & Sells